



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3846

by Rep. Elgie R. Sims, Jr.

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-142.1

from Ch. 108 1/2, par. 17-142.1

Amends the Chicago Teacher Article of the Illinois Pension Code. In a Section on payment by the pension fund of certain health insurance costs, authorizes monthly payments to be made as a fixed amount or as a combination of percentage and fixed amount based on what the Board deems most equitable for all plan participants and for the various groups of retirees that are covered by the plan. Provides that the exact formula for payment shall be determined based on the amount available for distribution to the retirees, and their various costs. Effective immediately.

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FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 17-142.1 as follows:

6 (40 ILCS 5/17-142.1) (from Ch. 108 1/2, par. 17-142.1)

7 Sec. 17-142.1. To defray health insurance costs. To provide
8 for the partial reimbursement of health insurance costs.

9 (1) On the first day of September of each year, beginning
10 in 1988, the Board may, by separate warrant, pay to each
11 recipient of a service retirement, disability retirement or
12 survivor's pension an amount to be determined by the Board,
13 which shall represent partial reimbursement for the cost of the
14 recipient's health insurance coverage.

15 (2) In lieu of the annual payment authorized in subdivision
16 (1), for pensioners enrolled in the Fund's regular health care
17 deduction plans, the Fund may pay the health insurance premium
18 reimbursement on a monthly rather than annual basis, as
19 follows:

20 (i) at the percentage rate established from time to
21 time by the Board;~~i-~~

22 (ii) as a fixed amount established from time to time by
23 the Board; or

1 (iii) as a combination of percentage and fixed amount
2 based on what the Board deems most equitable for all plan
3 participants and for the various groups of retirees that
4 are covered by the plan.

5 The exact formula for payment shall be determined based on the
6 amount available for distribution to the retirees, and their
7 various costs.

8 If the Board so directs, these monthly payments may be made
9 in the form of a direct payment of premium and a reduction in
10 the amount deducted from the annuity, rather than in the form
11 of reimbursement by separate warrant.

12 (3) Total payments under this Section in any year may not
13 exceed \$65,000,000 plus any amount that was authorized to be
14 paid under this Section in the preceding year but was not
15 actually paid by the Board, including any interest earned
16 thereon.

17 (4) The total amount of payments under this Section in any
18 year may not exceed 75% of the total cost of health insurance
19 coverage in that year for all the recipients who receive
20 payments authorized by this Section in that year.

21 (Source: P.A. 93-677, eff. 6-28-04.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.